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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD

Proceeding	91184213
Party	Plaintiff Galaxy Metal Gear, Inc.
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Date	02/19/2010
Attachments	MainBrief-Galaxy.pdf (22 pages)(425688 bytes)

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE TRADEMARK TRIAL AND APPEAL BOARD**

In the matter of Application Serial No.: 78914975

Filed: 6/22/2006

Mark: METAL GEAR

GALAXY METAL GEAR, INC.,

Opposer,

vs.

DIRECT ACCESS TECHNOLOGY, INC.

Applicant.

Opposition No.: 91184213

Action filed: May 20, 2008

OPPOSER'S MAIN BRIEF

OPPOSER'S MAIN BRIEF

Pursuant to TBMP §801, Opposer Galaxy Metal Gear, Inc., hereby submits its main brief in this proceeding regarding the Mark, "Metal Gear."

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STATEMENT OF ISSUES

- 1) DAT did not acquire right to the ownership of the Mark at issue, “Metal Gear.” because it is a mere importer and distributor of the goods at issue. The owner of the Mark is the manufacturer, Datastor.
- 2) “Metal Gear” is not registrable on the Principal Register as it is a descriptive mark.

DESCRIPTION OF RECORD

- 1) Trial testimony of Tony Tan and exhibits therein
- 2) Trial testimony of Patrick Wang and exhibits therein
- 3) Rebuttal testimony of Patrick Wang and exhibits therein
- 4) Deposition testimony of Momo Chen and exhibits therein (by order of the Board)
- 5) Cross-Complaint filed by Applicant, Direct Access Technology, Inc., and Complaint filed by Galaxy Metal Gear, Inc., in the case of Galaxy Metal Gear, Inc., v. Direct Access Technology, Inc., in the Los Angeles Superior Court case # BC 382375
- 6) Trademark registrations made by third parties on the following trademarks: Metal Gear; Metal Shop; Road Gear; Clever Gear; Night Gear; Mommy Gear; and Health Gear
- 7) Dictionary definitions of the words “equipment,” “metal,” and “gear.”
- 8) Photograph of Comp USA “Metal Gear” product
- 9) Exclusivity agreement between Datastor and Tech Depot, Inc.

RECITATION OF FACTS

Opposer contends Applicant committed fraud in this application because of Applicant's knowing false contention that Applicant owns the mark "Metal Gear" for computer enclosures. Applicant never owned the mark "Metal Gear" as Applicant is merely one of two United States distributors for the true owner of "Metal Gear," the manufacturer: Datastor Technology Company, Ltd. ("Datastor"). The other United States distributor for "Metal Gear" products is Opposer.

Applicant's first use of "Metal Gear" was supplied by Datastor (rebuttal testimony of Patrick Wang: page 19, lines 6-17). Applicant is not a "manufacturer" (trial testimony of Patrick Wang, page 54-55), it is an "importer and distributor" of "Metal Gear" enclosures (rebuttal testimony of Patrick Wang, page 13, lines 7-8; Cross-Complaint ¹, ¶3 filed by Applicant in the case of Galaxy Metal Gear, Inc., v. Direct Access Technology, Inc., in the Los Angeles Superior Court case # BC 382375). There is no subsidiary relationship between Applicant and Datastor (trial testimony of Patrick Wang, page 8, lines 11-20). There is no written agreement or written consent or assignment from Datastor allowing Applicant to sell "Metal Gear" products (trial testimony of Patrick Wang, page 26, and e-mail from Gary Chen, exhibit 4 to trial testimony of Patrick Wang).

Datastor also considered Opposer to be the exclusive distributor of Datastor's "Metal Gear" enclosures in the United States (trial testimony of Tony Tan, page 13, line

¹ Applicant's Cross-Complaint was filed in response to Opposer's Complaint, which sought damages arising from a letter sent on behalf of Applicant (attached herein) purporting that Opposer's abandonment of the registration of its mark "Galaxy Metal Gear" was tantamount to a finding of infringement of Applicant's "Metal Gear" mark.

5, to page 14, line 14). Opposer also understood Datastor to be the owner of the “Metal Gear” mark for enclosures (trial testimony of Tan, page 10, line 20).

Former Datastor sales representative, Momo Chen, also sold “Metal Gear” enclosures to CompUSA in the United States, and attempted to sell to Newegg, Fry’s and 10 other merchants in the United States (discovery deposition of Momo Chen, page 20, line 1, to page 31, line 6).

“Metal Gear” is used for enclosures for external computer hard drives (Applicant’s registration of “Metal Gear,” exhibit 2 to trial testimony of Patrick Wang). Some of the enclosures sold by Applicant under the name “Metal Gear” were subject to the 6,992,885 patent, which lists Chia-Jen Wang as the sole inventor but that Patrick Wang of Applicant claims that Wang was in fact not the inventor and that Wang was an inventor regarding this patent (trial testimony of Patrick Wang, page 16, lines 9-19; rebuttal testimony of Patrick Wang, page 9, line 5, to page 16, line 24).

ARGUMENT

APPLICABLE LAW

A distributor, importer, or other distributing agent of the goods of a manufacturer does not acquire a right of ownership merely because it moves the goods in trade. A party that merely distributes goods bearing the mark of a manufacturer or producer is neither the owner nor a related-company user of the mark. TMEP 1201.06(a)

A distributor/importer can register to be the owner of a mark if either (1) there is a subsidiary relationship between the distributor and the manufacturer; or (2) a US distributor/importer submits written consent from the owner of the mark or written

agreement between the parties or an assignment to the applicant together with business goodwill. TMEP 1201.06(a).

In the absence of an agreement, the legal presumption is that a mark belongs to the manufacturer. *Sengoku Works v. RMC International*, 96 F.3d 1217 (9th Cir. 1996).

A trademark applicant owes a duty of candor to the PTO. If an applicant intended to mislead the PTO, the mark can be invalidated. *Aromatique, Inc. v. Gold Seal, Inc.*, 28 F.3d 863, 877-878 (8th Cir. 1994).

DAT IS NOT THE OWNER OF THE MARK “METAL GEAR”

Applicant admits it is not the manufacturer of “Metal Gear” goods and is only an importer or distributor for Datastor. As a distributor or importer, Applicant can only seek to register the “Metal Gear” mark if Applicant is in a subsidiary relationship with Datastor or it has some sort of written consent, agreement, or assignment from Datastor.

Applicant is not in a subsidiary relationship with Datastor. Applicant has no written consent, agreement, or assignment from Datastor which would allow Applicant to register “Metal Gear.”

The only possible argument Applicant might have is the Gary Chen e-mail, but that falls far short of constituting formal authorization by Datastor that Applicant can register “Metal Gear.” Even the purported representation by Gary Chen that Applicant has exclusivity is contradicted by the exclusive sales agreement in favor of Tech Depot, Inc., and the testimony of former Datastor sales representative Momo Chen that Datastor sold and offered for sale “Metal Gear” products to numerous other companies in the United States.

Patrick Wang of Applicant also contends that he personally created the “Metal Gear” mark. However, that is inconsistent with the Gary Chen e-mail offered up by Applicant, because if Patrick Wang created “Metal Gear,” why does Applicant need confirmation that it has exclusive sales rights?

Moreover, Patrick Wang’s testimony is suspect further because of his testimony regarding the 6,992,885 patent, which encompassed some of the “Metal Gear” enclosures at issue. The patent claimed the sole inventor was Chia-Jen Wang, but Patrick Wang denied Chia-Jen Wang was the inventor and claimed to be a co-inventor but was not listed as an inventor in the patent application. Patrick Wang’s evasiveness regarding PTO filings makes Patrick Wang’s testimony that he created the “Metal Gear” mark to be not credible. Such violation of “duty of candor” under PTO rule 1.56 showed Applicant’s intention to withhold true information from, or submit false information to, the PTO.

In total, Applicant cannot show that it has any ownership rights in the “Metal Gear” mark and accordingly Applicant has no right to register this mark.

“METAL GEAR” IS DESCRIPTIVE

A mark that “merely describes” the goods or services on or in connection with which it is used is not registrable on the Principal Register. This is (1) to prevent the owner of a mark from inhibiting competition in the sale of particular goods; and (2) to maintain freedom of the public to use the language involved. TMEP 1209; *In re Abcor Development Corp.* 588 F.2d 811, 813, 200 USPQ 215, 217 (C.C.P.A. 1978). A mark is considered merely descriptive if it describes an ingredient, quality, characteristic, function, feature, purpose, or use of the specified goods or services. TMEP 1209.01(b);

In Re Gyulay, 820 F.2d 1216, 3 USPQ2d 1009 (Fed. Cir. 1987) [“Apple Pie” held merely descriptive of potpourri].

“Metal Gear” is used for by Applicant for the sale of enclosures for external computer hard drives. No claim is made by Applicant to the exclusive right to use “Metal.” As set forth in the dictionary definitions relied upon by Opposer, a definition of “gear” is equipment. “Equipment” is defined as an implement used in an activity or operation. “Metal Gear” therefore simply describes a piece of equipment that is metal or has the appearance of metal. “Metal Gear” is not fit to be registrable on the Principal Register.

SUMMARY

Based on the above authority, argument, and evidence, Opposer submits it has met its burden to show Applicant is not the owner of the Mark “Metal Gear” and that “Metal Gear” is descriptive. Accordingly, Opposer submits this application should be refused, the file stamped “Abandoned,” and all proceedings to be considered terminated.

Respectfully submitted,

Dated: February 19, 2010

/jfflee/

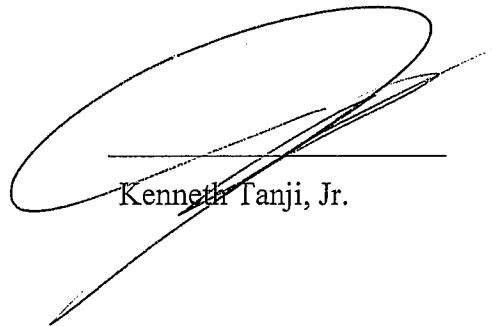
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CERTIFICATE OF SERVICE

The undersigned Attorney hereby certifies that a true copy of the foregoing
OPPOSER'S MAIN BRIEF was served by depositing a copy of same in the United States
mail, first class postage prepaid, to the following address on

FEBRUARY 19, 2010.

Michael Olson, Esq.
Law Office of Michael C. Olson
1400 Bristol St. N.
Suite 270
Newport Beach, CA 92660



Kenneth Tanji, Jr.

Attachment

Attachment

COPY
CONFORMED COPY
OF ORIGINAL FILED
Los Angeles Superior Court

DEC 17 2007

John A. Clarke, Executive Officer/Clerk
By *B.M. Swain*, Deputy
B.M. SWAIN

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GALAXY METAL GEAR, INC.

SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES, CENTRAL DISTRICT

GALAXY METAL GEAR, INC.,

Plaintiff,

vs.

DIRECT ACCESS TECHNOLOGY, INC.,

Defendant.

CASE NO.: BC382375

COMPLAINT FOR:

1. DEFAMATION
2. FALSE ADVERTISEMENT
3. UNFAIR COMPETITION
4. INTERFERENCE WITH ECONOMIC RELATIONSHIP

COME NOW, PLAINTIFF GALAXY METAL GEAR, INC. ("GALAXY" or "Plaintiff") for its Complaint, allege as follows:

1. Plaintiff Galaxy is a corporation having principal place of business at 5585 Daniels Street, #c, Chino, California 91710.
2. On information and belief, Defendant Direct Access Technology Inc. ("DAT" or "Defendant") is a corporation having principal place of business at 19957 E. Harrison Avenue, City of Industry, California 91789.
3. Collectively, GALAXY and DAT are sometimes referred to as "Parties".

Complaint

Statement of Facts and General Allegation

4. GALAXY is in the business of, among others, offering for sales computer accessories including enclosures for external hard drive. GALAXY has the common law trademark right to its unregistered mark of GALAXY METAL GEAR BOX ("Galaxy Mark"), as attached in Exhibit A.
5. On information and belief, DAT is also in the business of, among others, offering for sales computer accessories including enclosures for external hard drive. DAT claims to have a common law trademark right to its unregistered mark of METAL GEAR.
6. Both GALAXY and DAT applied to United States Patent and Trademark Office ("USPTO") for their respective trademarks.
7. While both applications were pending, DAT initiated an opposition proceeding ("Opposition Proceeding") against GALAXY's trademark registration, in the Trademark Trial and Appeal Board (TTAB") of USPTO, proceeding number 91174214.
8. GALAXY decided that it would not pursue the registration of its Galaxy Mark and on 10/26/2007, filed a Stipulated Abandonment of its Galaxy Mark application and Withdrawal of Opposition, having DAT sign off to the Stipulation. Said Opposition Proceeding terminated pursuant to Parties' Stipulation.
9. As of 11/20/2007, GALAXY's application to USPTO for its Galaxy Mark was abandoned. See attached Notice of Abandonment in Exhibit B.
10. GALAXY decided that it is more cost-effective to switch to another trademark than to fight DAT in the TTAB Opposition Proceeding re the issue of registrability.
11. In late November of 2007, GALAXY's customers forwarded to GALAXY a letter they received from Mr. Michael Olson, an attorney representing DAT,

Complaint

1 dated 11/19/2007, having subject line "Sale of infringing products/Metal Gear
2 trademark". Said letter ("DAT Letter") is attached herein as Exhibit C.

3 12. Said DAT Letter made the false statement that "Those proceedings terminated
4 with Galaxy Metal Gear agreeing to abandon any claim to the Galaxy Metal Gear
5 mark".

6 13. Said DAT Letter made the false statement that GALAXY was engaging in the
7 "Sale of infringing products" (on the subject line).

8 14. Said DAT Letter made the false statement that GALAXY was selling
9 "counterfeit products".

10 15. DAT knew that there was no determination of "infringement" in a TTAB
11 proceeding. DAT knew that the Opposition Proceeding terminated by mutual
12 stipulation, wherein GALAXY gave up seeking registration of its Galaxy Mark,
13 without adjudication of any "confusingly similar" contention or any other legal
14 issues.

15 16. DAT nonetheless published and distributed such unfounded and false statements
16 of "infringement" and "counterfeit products", after termination of said
17 Opposition Proceeding wherein both DAT and GALAXY participated, clearly
18 intending to injure GALAXY's business reputation and goodwill and cause
19 monetary damages to GALAXY.

20 17. Some GALAXY's customers stopped buying from GALAXY, as a result of said
21 DAT Letter and as induced by said DAT Letter.

22 18. Some GALAXY's customers requested assurances from GALAXY, and
23 GALAXY promptly gave such assurances to hold them harmless. However, at
24 least one customer remained unwilling to continue doing business with
25 GALAXY despite given such assurances.

26 19. GALAXY suffered greatly by DAT's widespread falsity, entailing time and
27 money spent to repair its business relationship with customers that are affected
28 by DAT's malicious and false statements.

Complaint

FIRST CAUSE OF ACTION

(DEFAMATION)

20. Plaintiff GALAXY incorporates the allegations from paragraph 1 to 19 as if fully set forth herein.

21. DAT published false statements of GALAXY's "'infringement" and selling "counterfeit products", when in fact there was no such adjudication, coming out from a TTAB proceeding.

22. DAT intended to disgrace Plaintiff and cause monetary damages to Plaintiff.

23. Plaintiff is injured, both to its business goodwill and revenue, as a result of DAT's false and malicious statements.

SECOND CAUSE OF ACTION

(FALSE ADVERTISEMENT)

24. Plaintiff GALAXY incorporates the allegations from paragraph 1 to 23 as if fully set forth herein.

25. DAT seeks business from Plaintiff's customers by advertising to them and published false statement of GALAXY's "'infringement" and selling "counterfeit products", when in fact there was no such adjudication, coming out from a TTAB proceeding.

26. Plaintiff's customers, at least some of them, were affected by such false statement as advertised by mass mailing of said DAT Letter and stopped doing business with Plaintiff.

27. Plaintiff is injured as a result of DAT's false advertisement.

THIRD CAUSE OF ACTION

(UNFAIR COMPETITION)

1 28. Plaintiff GALAXY incorporates the allegations from paragraph 1 to 27 as if fully
2 set forth herein.

3 29. Plaintiff GALAXY and Defendant DAT are competitors dealing with similar
4 products, selling to overlapping customers.

5 30. Defendant DAT fraudulently sent letters of “infringement” to GALAXY’s
6 customers by mis-using the result of a TTAB proceeding, which was abandoned,
7 pursuant to Parties’ stipulation, without adjudication of issues contended therein.

8 31. Defendant DAT knowingly made such false accusations of “infringement” and
9 “counterfeit products” to GALAXY’s customers, when such accusations are not
10 supported by alluding to the abandoned Opposition Proceeding, either in fact or
11 law.

12 32. Defendant DAT unfairly competed against GALAXY and as a result caused
13 damages to GALAXY.

14 **FOURTH CAUSE OF ACTION**

15 **(INTERFERENCE WITH ECONOMIC RELATIONSHIP)**

16 33. Plaintiff GALAXY incorporates the allegations from paragraph 1 to 32 as if fully
17 set forth herein.

18 34. Plaintiff GALAXY has existing business relationship with its customers.

19 35. Defendant DAT wrongfully made false and fraudulent statements about the result
20 of a TTAB Opposition Proceeding, influencing many of GALAXY’s customers
21 by the false accusations that GALAXY was selling “infringing products” and
22 “counterfeit products”.

23 36. Defendant DAT knew such accusation is not supported by law or by fact but still
24 caused such false statements to be sent to GALAXY’s customers.

25 37. As a result of DAT’s malicious interference, GALAXY has to spend time, effort
26 and money to repair such economic relationship.
27
28

38. As a result of DAT's malicious interference, several customers of GALAXY has decided not to place orders from GALAXY.

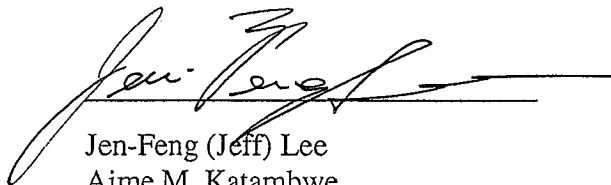
PRAYER FOR RELIEF

WHEREFORE, Plaintiff demand judgment against Defendant as set forth below.

1. Defendant to be found liable for the acts complained herein and to be discovered.
2. Defendant to be found liable for monetary damages, with accrued interest, for the amount of \$600,000, or an amount to be determined in this proceeding.
3. Defendant to be assessed for punitive damages for its wanton and malicious acts that caused great harm to Plaintiff.
4. An injunctive order be issued, prohibiting Defendant DAT from engaging further such and similar malicious activities as complained herein.
5. Defendant be found liable for Plaintiff's attorney fees and costs in bringing this lawsuit.
6. Such further relief as the court may deem just and proper.

Dated: December 13, 2007

WorldEsquire Law Firm, LLP



Jen-Feng (Jeff) Lee
Aime M. Katambwe
Kenneth Tanji, Jr.
Attorneys for PLAINTIFF
Galaxy Metal Gear, Inc.

EXHIBIT A

Galaxy
METAL GEAR BOX

EXHIBIT B



UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Trademarks
P.O. Box 1451
Alexandria, VA 22313-1451
www.uspto.gov

Nov 21, 2007

NOTICE OF ABANDONMENT

TM103

JEN-FENG LEE
WorldEsquire Law Firm, LLP
80 South Lake Avenue Ste #708
Pasadena, CA 91101

ATTORNEY
REFERENCE
NUMBER:

SERIAL NUMBER: 76/643964
MARK: GALAXY METAL GEAR BOX
APPLICANT: Galaxy Metal Gear Inc.

THE ABOVE IDENTIFIED TRADEMARK APPLICATION WAS ABANDONED
ON 11/20/2007 FOR THE FOLLOWING REASON:

AS A RESULT OF THE TRADEMARK TRIAL AND APPEAL BOARD
PROCEEDINGS, THE ABOVE IDENTIFIED APPLICATION STANDS
ABANDONED.

EXHIBIT C

LAW OFFICE OF MICHAEL C. OLSON

A Professional Corporation

1400 Bristol Street N.
Suite 270
Newport Beach, California 92660
(949) 442-8940
Fax: (949) 442-8935
email: molson@lawyer.com

November 19, 2007

[REDACTED]
[REDACTED]
[REDACTED]

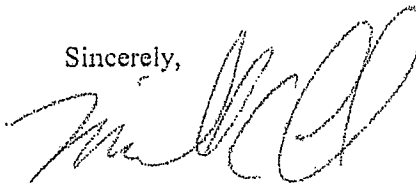
Re: Sale of infringing products/ Metal Gear trademark

Dear Sirs:

Please be advised that our firm represents Direct Access Technology, the owner of the Metal Gear trademark for external hard drive enclosures. Recently, Direct Access Technology was involved in proceedings before the Trademark Trial and Appeal Board of the United States Patent and Trademark office with Galaxy Metal Gear, Inc. Those proceedings terminated with Galaxy Metal Gear agreeing to abandon any claim to the Galaxy Metal Gear mark.

It has come to our attention that your company is selling or advertising for sale, on the [REDACTED] website, external hard drive enclosures bearing the Metal Gear mark or the Galaxy Metal Gear mark which did not originate with Direct Access Technology. We are demanding that you immediately cease and desist from selling or offering for sale these products as they are either confusingly similar to the mark owned by Direct Access Technology or are counterfeit products. If you have any questions about the authenticity of products bearing the Metal Gear mark, please do not hesitate to contact us.

Sincerely,



Michael C. Olson

MCO:so